

IV. REGULATORY DISCUSSION PERTAINING TO PREVENTION of SIGNIFICANT DETERIORATION

The executive Secretary is required to determine applicability of Prevention of Significant Deterioration (PSD) rules to new and modified sources. The determination to require a PSD permit depends on whether a new source or modification to a source is "major." In the Utah Administrative Rules, which mirrors Utah and federal statute, a "major modification" is defined at R307-101-2, Definitions, to mean "any physical change in or change in the method of operation of a major source that would result in a significant net emissions increase....."

The Executive Secretary has determined that the project described herein constitutes a physical and operational change to the Intermountain Power facility. However, the Executive Secretary finds that the change will not result in a significant net emissions increase.

To show that an emissions increase is not significant, an electric steam generating facility such as Intermountain must show that its future representative actual emissions will not significantly increase over its pre-change actual emissions. In fact, PSD regulations (under the provisions commonly known as the "WEPCO rule") allow a source undertaking a nonroutine change that could affect emissions at an electric utility steam generating unit to lawfully avoid the major source permitting process by using the unit's representative actual annual emissions to calculate emissions following the change if the source submits information for 5 years following the change to confirm its pre-change projection. Further, in projecting post-change emissions, Intermountain does not have to include that portion of the unit's emissions which could have been accommodated before the change and is unrelated to the change, such as demand growth, changes in fuel characteristics, variability in control technology performance, etc.

Under the WEPCO rule, Intermountain must compute baseline actual emissions and must project the future actual emissions from the modified unit for the 2-year period after the physical change. Intermountain has provided these figures to verify its projection of no increase in actual emissions. Following the change, Intermountain must maintain and submit to the Executive Secretary on an annual basis for a period of at least 5 years from the date the units begin fully utilizing the modifications described herein as regular operation, information demonstrating that the renovation did not result in a significant emissions increase. If Intermountain fails to comply with the reporting requirements of the WEPCO rule or if the submitted information indicates that emissions have increased as a consequence of the change, it will be required to obtain a PSD permit for the modifications at that time.

When using the WEPCO actuals to future actuals test, Intermountain must maintain and submit to the Executive Secretary, for a period of 5 years from the date the units full utilization of the Dense Pack project, information demonstrating that the project did not result in an emissions increase. To adequately track post-change emissions, this information must include records on annual fuel use and emissions. Intermountain may exclude emissions increases that are caused by other factors, such as variability in control technology performance or coal characteristics. In addition, when calculating emission increases, Intermountain may exclude that portion of its emissions attributable to increased use at the unit due to the growth in electrical demand for the